CLASS CATION STORE 25X1A Approved For Release 2001/03/06 CIA-RDP82-0045780079003 information report CD NO. COUNTRY Yugoslavia DATE DISTR Discussions and Directives CONFIDENTIAL SUBJECT NO. OF PAGES Communist Party Cell 25X1A PLACE OF ENCLS. ACQUIRED DATE OF SUPPLEMENT TO INFO. REPORT NO

> At meetings of a pro-Tito Communist Party maritims cell in Dalmatia during the month of April 1951, the following matters were discussed:

1. Party members were instructed to emphasize the fact that economic aid is being extended to Yugoslavia by the United States and Great Britain merely because pressure was brought to beer on those governments by the people. Yugoslavia enjoys great popularity abroad because of its neutral and peaceloving policy. Business dealings with the West are conducted on a strictly henorable basis and they currently are in Yugoslavia's interest as a result of the Soviet economic blockade.

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- 2. Yugoslavia will accept armaments from the United States and from any other country which offers them for the sole purpose of defending its independence and the socialist system. Armament from the United States is being paid for outright and no concessions are being made by Belgrade. Tugoslavia will neither enter into power blocs nor partake in regional pacts under any circumstances, but will remain neutral. The country is prepared to make great sacrifices to maintain its neutrality.
- 3. That Yugoslavia is on the right road from the time it freed itself of Soviet tutelage is borne out by the daily improvement in living conditions. Yugoslavia is still trying to free itself of Soviet methods, especially of those which affect the internal structure of the country. It has completed a reorganization of the government and industry, and has begun to return formarly nationalized small business to private control. The nationalization plan has hindered Yugoslavia's economic development, and although Soviet in origin it also has proved unsuccessful in the USSR.
- 4. It is recognized that strong possibilities exist for an armed attack on Yugoslavia. The attack, if it should take place, will come from the Soviet Union but will be carouflaged as in Korea. The actual attack would be launched by the satellites, but Soviets would provide the arms, the military leaders and political guidance. It is obviously the intention of the Soviets

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to create incidents not only on Yugoslavia's borders but also within the country in order to provide cause for aggression. The Soviets realize that Yugoslavia cannot be provoked by border incidents alone, and now have embarked on provocation at the diplomatic level. This is evident from recent incidents in Belgrade involving the Bulgarian Major Ivan Ivanov and Hungarian Charge d'Affaires Istvan Brabec. It is part of the overall loviet plan to find pretexts for breaking off diplomatic relations with Yugoslavia.

- 5. The majority of Cominformists in the Yugoslav Communist Farty have been liquidated, and consequently there is no longer widespread fear of the Cominform. Yugoslavia must put a halt to the war psychosis, however, which pervades the country, and suppress in every man the fear of war in order to concentrate fully on the many important internal problems.
- 6. Party members are to spread the word that Trgyve Lie's visit to Yugoslavia is conclusive evidence that he recognizes Yugoslavia's neutral policy as being an important factor in the international battle for peace.
- 7. The Farty desires to minimize the fact that it directs and organizes everything that is done in the country. It is necessary to return the initiative to the masses and to make events appear as though they were the result of the spontaneous desire of the people. In the future, Party embers must put a stop to their dictatorial mode of dealing with the people and serve more in the capacity of advisers.